

## LOCAL STOCK MARKET: (JS)<sup>+</sup>

Stock Symbol	CAR	GK	PTL	KW	LASM
Current Price (\$)	7.44	62.41	1.91	45.51	3.04
Trailing EPS (\$)	0.68	4.51	0.04	1.82	0.28
P/E (times)	10.93	13.84	45.55	25.03	10.84
Projected P/E	11.06	13.48	45.82	24.27	10.10
Projected EPS (\$) <sup>+</sup>	0.67	4.63	0.04	1.88	0.30
Book Value per share (\$)	0.29	52.59	0.51	18.59	1.57
Price/Book Value (times)	25.68	1.19	3.77	2.45	1.93
Dividend Yield (2019 %)	7.07%	2.44%	N/A	0.30%	1.65%
Volumes	99,716	157,980	25,000	20,082	179,403
Recommendation	BUY	HOLD	SELL	HOLD	BUY



## STOCK OF THE DAY: GraceKennedy Limited (GK)

### For the year ended December 31, 2019:

GraceKennedy Limited (GK) recorded revenue of \$103.09 billion for the period (2018: \$97.54 billion), a year over year increase of 6%. Total expenses amounted to \$99.35 billion relative to \$94.40 billion booked in 2018, indicating a 5% growth compared to twelve months earlier. As such, gross profit for the year end amounted to \$3.74 billion relative to \$3.14 billion booked for the comparative period of 2018.

Other income for the year-end period fell by 28% to total \$2.52 billion (2018: \$3.49 billion). While for the quarter, other income closed at \$593.14 million relative to \$1.22 billion in the prior corresponding period. Operating profit amounted to \$6.26 billion relative to \$6.63 billion for the year ended December 31, 2018.

Interest income from non-financial services rose 2% to total \$437.40 million compared to \$427.50 million reported in the prior year's corresponding period. Interest expenses from non-financial services amounted to \$1.09 billion versus \$581.87 million a year earlier, a 87% increase.

Share of results of associated companies totalled \$518.89 million, compared to \$490.87 million reported for December 2018.

Pretax profits decreased by 12% to approximately \$6.13 billion compared to pre-tax profit of \$6.96 billion documented for the year ended December 2018. Additionally, GK incurred taxation expenses amounting to \$1.03 billion compared to \$1.32 billion in the prior corresponding quarter.

Consequently, net profit decreased by 10% to \$5.10 billion from \$5.64 billion booked for the corresponding period of 2018.

Net Profits attributable to shareholders amounted to \$4.49 billion compared to \$5.01 billion in the previous year's corresponding period.

Earnings per share for the period amounted to \$4.51 (2018: \$5.03), The number of shares used in our calculations is 995,004,356 units.

## FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

Currency	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	160.000	102.700	134.0872	142.500	105.430	135.5936
CAN	102.500	81.102	101.4735	104.274	95.000	102.5420
GBP	175.600	138.610	173.2433	181.224	162.000	174.7499
EURO	147.540	116.000	143.3111	159.524	144.200	153.0949

\*Rates as at March 05, 2020

## MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (March 06, 2020) trading session. The over night rate stood at 0.50% to 0.75%, while the 30-day rate was 1.60% to 1.80%.

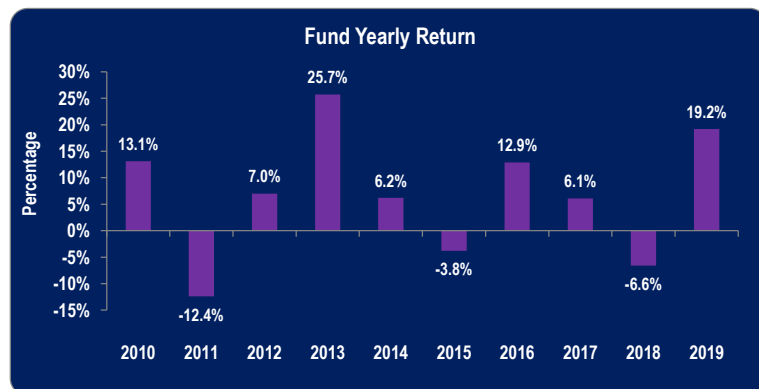
The US dollar fixed income market was also liquid during today's (March 06, 2020) trading session; The overnight market rates were quoted at 2.00% while the 30-day market rates stood at 2.30% to 2.40%.

## Over The Counter Funds (CIFUNDS)

### CI Canadian Investment Corporate Class

This fund invests primarily in shares of major Canadian corporations. It is currently expected that investments in foreign securities will generally be no more than 49% of the fund's assets.

The fund has a 3 year return of 5.9% and a 5 year return of 4.8%. The Fund also has a 10 year return of 4.5%. Rates are as at January 31, 2020.



“The Federal Reserve has imposed a minimum seven to 10 day quarantine on physical U.S. currency it receives from Asia before processing as a precautionary measure, even though the coronavirus mainly spreads by human-to-human contact, according to a spokeswoman. The Fed maintains a contingency stock of currency to meet demand, and routinely processes notes and coins as part of its services to banks. There is currently \$1.75 trillion of Federal Reserve notes in circulation.

“China’s trade likely plunged in January and February on the combined effects of the extended Lunar New Year holiday and the worsening coronavirus outbreak, highlighting the impact on supply chains that continues to ripple through the global economy. Exports and imports are forecast to have slumped in the period, with shipments out of China dropping by about a fifth, according to a Bloomberg survey.”

<https://www.bloomberg.com/news/articles/2020-03-06/fed-puts-quarantine-on-repatriated-physical-cash-from-asia?srnd=economics-vp>

<https://www.bloomberg.com/news/articles/2020-03-06/coronavirus-pain-set-to-show-up-next-in-china-s-trade-data?srnd=economics-vp>

PLATINUM PORTFOLIO

STRUCTURED PRODUCT

Platinum Portfolio Yield Measures as at March 02, 2020

	Percentage (%)
Yield to Maturity	4.84
Weighted Average Coupon	5.351
Current Yield	4.37

Mayberry Gold

This portfolio is ideal for investors, both retail and corporate, seeking a conservative, short-term investment. The securities in the Gold are directly owned by the client and provide them with a safe investment option. Our Gold portfolio can also provide investors with coupon payments that can generate a positive income stream.

The platinum portfolio has an effective maturity of 13.30 years and duration of 4.66 years.

DISCLAIMER

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MIL Ratings System:

**BUY:** We believe the stock is attractively valued. The company has sound or improving fundamentals that should allow it to outperform the broader market. We anticipate the stock will outperform the market over the next 12 months. The risk factors to achieving price targets are minimal.

**HOLD:** We believe the stock is fairly valued at the current price. The company may have issues affecting fundamentals that could take some time to resolve. Alternatively, company fundamentals may be sound, but this is fully reflected in the current stock price. The risk factors to achieving price targets are moderate. Some volatility is expected. In addition, technically it may be difficult to attain additional volume of the stock(s) at current price.

**SELL:** We believe the stock is overpriced relative to the soundness of the company’s fundamentals and long-term prospects.

**SPECULATIVE BUY:** We believe the prospects for capital appreciation exist, however there is some level of uncertainty in revenue growth.

Source: www.jamstockex.com, www.bloomberg.com, www.investopedia.com, www.tradewire.com



www.mayberryinv.com

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